



**CHARTER REVIEW SUB-COMMITTEE OF THE CITY OF SAN DIEGO  
FINANCIAL REFORM SUB-COMMITTEE  
CHAIR- DONNA JONES**

**MINUTES FOR  
FRIDAY, AUGUST 24, 2007, AT 9:00 A.M.**

**COUNCIL COMMITTEE ROOM (12<sup>TH</sup> FLOOR),  
CITY ADMINISTRATION BUILDING  
202 C STREET, SAN DIEGO, CALIFORNIA**

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9:05 Call to Order. Roll Call.

Committee Members:

Donna Jones, Chair	Present
John Gordon	Present
Vincent Mudd	Present
Lei-Chala Wilson	Present
James Milliken	Present

Staff in Attendance:

James Ingram, Committee Consultant  
Lisa Briggs, Office of the Mayor  
Woo-Jin Shim, Office of Council President Peters  
Jeff Kavar, Independent Budget Analyst  
Brant C. Will, City Attorney's Office  
Larry Tomanek, City Attorney's Office

NON-AGENDA PUBLIC COMMENT

Ms. Billie Hame of the Balboa Ave. Citizens' Advisory Committee commented on the need clarify the process of management of endowment funds within the City. With the shift to Strong Mayor, it is more difficult for citizens involved in the process to obtain information on the management of the funds and/or make recommendations for change.

Mr. Cory Briggs, representing the League of Women Voters, asserted that the agendas for this meeting and previous meetings were insufficient under the Brown Act. Therefore, actions taken to date have been done so illegally and are void.

#### SUB-COMMITTEE COMMENT

Mr. Briggs' comments lead members of the subcommittee to ask the City Attorney's representatives for guidance. Mr. Tomanek responded that, while the City Attorney's office had not yet completed its assessment of Mr. Briggs' claims, that any actions intended for the current meeting should not be taken. Some of the subcommittee members disagreed with this position citing the fact that neither the subcommittee nor the full committee is subject to the Brown Act. Further, it was noted that the City Attorney's office had not yet assessed the validity of the claims so to render such advice at this point was premature.

Comments were received regarding the actions of the full committee the night before. Specifically, the question was asked whether the subcommittee could immediately begin addressing the feedback received from the issues of audit committee and internal auditor. Ms. Briggs responded that, due to the noticing requirements and the fact that these items were not on the agenda, no specific actions or detailed discussions could take place today.

Mr. Mudd noted that the subcommittee had approved both these items in concept and anticipated that some of the language would end up in the Charter and some in the Municipal Code. The job of the subcommittee is to collect the data, develop the concepts and make the recommendations. The actual language needs to be developed into a format that is legally appropriate to go into the Charter and the Code. Mr. Will responded that the City Attorney's office had hoped to have a breakdown on the language this week, but was not able to make the deadline. Mr. Tomanek added that the City Attorney's office did not want to draft language until the entire committee acted in order to avoid the potential of multiple drafts. Judge Milliken and Ms. Briggs responded by noting that the full committee required language to review in order to make a decision. The subcommittee and Mayor's staff again requested that the City Attorney's office assist.

Mr. Mudd requested that the issue of investment authority be added to the subcommittee's work plan. Mr. Gordon requested further information on documents referenced by Councilmember Frye the prior evening.

#### CITY ATTORNEY, COUNCIL INDEPENDENT BUDGET ANALYST COMMENT.

Ms. Briggs indicated that, due to the discussions of the previous evening, the work plan would be changing to add subcommittee meetings.

#### ITEM – 1:     Balanced Budget

Mr. Ingram gave a report recommending that the subcommittee use the New York charter language on balanced budget as a starting point for discussion. His report is attached to these minutes. Both Mr. Gordon and Mr. Mudd agreed that this language is a good place to start. However, consideration does need to be given to action in case the budget is not balanced at the end of the year. Further, simply requiring a balanced budget does not get to the question of how to assess the operating vs. the capital budget. Chairwoman Jones requested that staff and committee members attempt to draft language that the subcommittee can discuss at its next meeting.

Mr. Cory Briggs submitted a written note alleging that the report and discussion on this issue were in violation of the Brown Act. That note is attached to these minutes.

ITEM – 2: Composition of the SDCERs Board

Ms. Briggs gave a brief overview of the issue. The question of board composition arose from the Kroll report. Despite being changed by the voters in 2004 to give outside members a majority on the Board, Kroll is recommending further changes. Copies of the current charter section and Kroll's recommendations are attached.

There were two public speakers. First was Ms. Cathleen Higgins representing MEA. She read a letter into the record. That letter is attached to these minutes. The second speaker was Mr. Cory Briggs who again asserted that the discussions that the subcommittee was engaging in were in violation of the Brown Act.

Questions were asked as to what Kroll based their recommendations upon. Kroll is not available to address the subcommittee, but their report notes that their recommendations flow from the recommendations of the Pension Reform Committee. Staff was asked to get copies of that report to committee members as well as inquire if any members of the PRC would be available to talk to the subcommittee.

Discussion then turned to the possibility of simply moving the City's pension system into CALPERS. Staff from both the Mayor's office and City Attorney's office recalled that this issue was investigated a few years ago. All agreed further research was needed. Materials to be reviewed include: any report on the CALPERS question, SDCERs reports on investment return and administrative cost, copy of the PRC report.

ITEM – 3: Minutes from August 10, 2007 Financial Reform Subcommittee Meeting

Motion by Judge Milliken, second by Mr. Mudd, to accept the minutes of August 10, 2007 as presented.

Passed unanimously.

10:30 Adjourn